

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA

In re Gregg Appliances, Inc. Case No. 17-01303-11
Debtors

MONTHLY OPERATING REPORT
Gregg Appliances, Inc.

INDEX TO CONDENSED FINANCIAL STATEMENTS AND SCHEDULES

CONDENSED FINANCIAL STATEMENTS	Page
Condensed Statement of Income	2
Condensed Balance Sheet	3
Condensed Statement of Cash Flows	4
 SCHEDULES	
Schedule 1 - Total Disbursements	5
Schedule 2 - Bank Reconciliations	6
Schedule 3 - Total Disbursements to Retained Professionals	7
Schedule 4 - Summary of Unpaid Post-Petition Debts	8
Schedule 5 - Schedule of Federal, State, and Local Taxes Collected, Received, Due or Withheld	9
Schedule 6 - Accounts Receivable Aging	10
Schedule 7 - Questionnaire	11

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

Signature of Authorized Individual*

Date

Printed Name of Authorized Individual

CEO / CFO

Title of Authorized Individual

* Authorized individual must be an officer, director, or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Condensed Consolidated Statement of Income (unaudited)

	For the Period of	
	November 1, 2019 to	November 30, 2019
(In Thousands)		
Net Sales	\$ -	-
Cost of Goods Sold	-	-
Gross Profit/(Loss)	-	-
Operating Expenses:		
Advertising Expense, Net	-	-
Occupancy Costs	3	3
Data Communications	0	0
Repair and Maintenance	-	-
Company Insurance (Non-Medical)	0	0
Employee Benefits	0	0
Wage Expense	19	19
Employee Services	0	0
Travel and Entertainment	-	-
Bank Transaction Fees	2	2
Professional Fees	57	57
Stock Compensation Expense (Benefit), Net	-	-
Gain/Loss on Early Extinguishment of Debt	-	-
Depreciation and Amortization	-	-
Administrative and Sales Expense	12	12
Product Services Expense	-	-
Bad Debts	-	-
Total Operating Expenses	93	93
Operating Income/(Loss)	\$ (93)	(93)
Interest Expense, net	(34)	(34)
Other Income/(Expense)	135	135
Income Before Taxes	\$ 7	7
Income Tax Expense/(Benefit)	-	-
Net Income/(Loss)	\$ 7	7

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Condensed Consolidated Balance Sheet (unaudited)

<i>(In Thousands)</i>	As of 11/30/2019
Assets	
Cash	12,151
Credit Card and Trade Accounts Receivable, Net	5,954
Accounts Receivable - Other	8,456
Merchandise Inventories	-
Prepaid Expenses and Other Assets	2,617
Income Taxes Receivable	-
Total Current Assets	29,179
Property and Equipment, Net	-
Capitalized Financing Fees, Net	-
Goodwill	-
Trademarks, Net	-
Other Assets, Net	-
Total Assets	\$ 29,179
Liabilities and Stockholders' Deficit	
Accounts Payable	8,163
Outstanding Customer Deposits, Credits, Refunds	1,560
Unredeemed Gift Card Liability	15
Other Accrued Expenses	12,728
Deferred Tax Liability	-
DIP Loans	3,502
Total Current Liabilities	\$ 25,968
Deferred Rent	-
LT Deferred Compensation	234
Other Long-term Liabilities	107
Liabilities Subject to Compromise	196,192
Total Liabilities	\$ 222,501
Preferred Stock	-
Common Stock	4
Accumulated Deficit	(347,873)
Treasury Stock	(150,228)
Additional Paid-in Capital	304,775
Total Stockholders' Deficit	\$ (193,322)
Total Liabilities and Stockholders' Deficit	\$ 29,179

**Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Condensed Consolidated Statement of Cash Flows (unaudited)**

	For the Period of November 1, 2019 to November 30, 2019
<i>(In Thousands)</i>	
Cash flows from operating activities:	
Net cash provided by (used in) operating activities	\$ (4)
Cash flows from investing activities:	
Purchases of property and equipment	-
Proceeds from sale of property and equipment	-
Other	-
Net cash used in investing activities	-
Cash flows from financing activities:	
Net Borrowings (Repayments) on Debt Facility	-
Increase/(decrease) in cash and cash equivalents	(4)
Cash and cash equivalents at beginning of period	12,155
Cash and cash equivalents at end of period	\$ 12,151

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Total Disbursements by Filed Legal Entity (unaudited)

(In Thousands)		
For the Period of November 1, 2019 to November 30, 2019		
Legal Entity	Case Number	Disbursements
Gregg Appliances, Inc.	17-01303-11	\$ 140

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Bank Reconciliations (unaudited)

(In Thousands)		Bank Acct #		Debtor		Description		Bank Balance		Ledger Balance		As of Date		Reconciled	
G/L Acct	Account Name	938169174		Gregg Appliances, Inc.		Operating Account		\$	0	\$		11/30/2019		No	
1000	Master Operating Account					Corporate AR deposit account. All retail locations									
1001	Corporate Account	938169505		Gregg Appliances, Inc.		depository account		\$	-	\$		11/30/2019		No	
1016	Cash Concentration	938169455		Gregg Appliances, Inc.		Cash Dominion		\$	0	\$		11/30/2019		No	
1017	Gregg AR DIP REVOLVER	Loan # 22T08		Gregg Appliances, Inc.		Excess cash on Wells Fargo AR DIP Revolver		\$	703	\$	703	11/30/2019		Yes	
1051	Disbursements	938169729		Gregg Appliances, Inc.		Checking		\$	-	\$	(2)	11/30/2019		No	
						Legal Reserve and Escrow for Whirlpool,									
1011	Restricted - Wells Fargo Escrow	Internal Wells Fargo Account		Gregg Appliances, Inc.		Electrolux and WGT V Matters		\$	11,450	\$	11,450	11/30/2019		No	

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Total Disbursements to Retained Professionals (unaudited)

(In Thousands)

For the Period of November 1, 2019 to November 30, 2019			
Retained Professionals	Approved Amounts (1)	Disbursements	
MORGAN, LEWIS & BOCKIUS LLP	\$ 1,878	\$ -	-
STIFEL, NICOLAUS & COMPANY INC	\$ -	\$ -	-
BERKELEY RESEARCH GROUP LLC	\$ 2,423	\$ -	-
DONLIN, RECANO & COMPANY INC	\$ -	\$ 30	30
ICE MILLER LLP	\$ 1,938	\$ -	-
BINGHAM GREENBAUM DOLL LLP	\$ 203	\$ -	-
MALFITANO PARTNERS	\$ 66	\$ -	-
COOLEY LLP	\$ 2,276	\$ -	-
PROVINCE, INC.	\$ 556	\$ -	-
DLA PIPER LLP US	\$ -	\$ -	-
FAEGRE BAKER DANIELS LLP	\$ -	\$ -	-
CHOATE HALL & STEWART LLP	\$ -	\$ 34	34
ASK LLP	\$ -	\$ -	-
GREAT AMERICAN GROUP	\$ -	\$ -	-
GAVIN SOLMENESE LLC	\$ 136	\$ -	-
CHIPMAN BROWN CICERO & COLE, LLP Legal Services	\$ 60	\$ -	-
Total	\$ 9,538	\$ 64	64

(1) Approved amounts represent the amount of fees and expenses that were approved by court order for payment by the Debtors to each professional from commencement of the case through November 2019.

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Summary of Unpaid Post-Petition Debts (unaudited)
As of 11/30/2019

(In Thousands)

Gregg Appliances, Inc. (17-01303-11)

	Control	0450	38450	31900	091800	Total
Accounts Payable	\$ 21	\$ 40	\$ -	\$ -	\$ 1,065	\$ 1,125
Wages Payable	\$ 3	-	\$ -	\$ -	\$ -	3
Taxes Payable (1)	\$ 1	-	\$ -	\$ -	\$ 939	940
Rent/Leases-Building	\$ -	-	\$ -	\$ -	\$ 3,759	3,759
Utilities Payable (2)	\$ -	-	\$ -	\$ -	\$ 428	428
Insurance Reserves	\$ -	-	\$ -	\$ -	\$ -	-
Secured Debt/Adequate Protection Payments	\$ -	-	\$ -	\$ -	\$ -	-
Professional Fees	\$ 12	97	\$ 85	\$ -	\$ 2,072	2,285
Amounts Due to Insiders	\$ -	-	\$ -	\$ -	\$ -	-
Outstanding Customer Deposits, Credits, Refunds (2)	\$ -	-	\$ -	\$ -	\$ 1,560	1,560
Unredeemed Gift Card Liability (2)	\$ -	-	\$ -	\$ -	\$ 15	15
Deferred Rent	\$ -	-	\$ -	\$ -	\$ -	-
LT Deferred Compensation	\$ -	-	\$ -	\$ -	\$ 234	234
Other (2)	\$ -	-	\$ -	\$ -	\$ 12,476	12,476
Total Post-Petition Debts	\$ 37	\$ 136	\$ 85	\$ -	\$ 22,548	\$ 22,806

(1) Any past due taxes payable relate to unpaid business license fees for 2017, as well as unpaid gross receipts taxes payable and any penalties charged for late payments beginning in July 2017.

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Schedule of Federal, State, & Local Taxes Collected, Received, Due or Withheld (unaudited)

(In Thousands)

For the Period of November 1, 2019 to November 30, 2019

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	\$ 0	\$ 3	\$ (2)	11/13; 11/27	WIRE	\$ 1
FICA - Employee	\$ 0	\$ 0	\$ (0)	11/13; 11/27	WIRE	\$ 0
FICA - Employer	\$ 0	\$ 0	\$ (0)	11/13; 11/27	WIRE	\$ 0
Unemployment	\$ -	\$ -	\$ -	11/13; 11/27	WIRE	\$ -
Income	\$ -	\$ -	\$ -			\$ -
Total Federal Taxes	\$ -	\$ 3	\$ (3)			\$ 0
State and Local						
Withholding	\$ 0	\$ 1	\$ (1)	11/13; 11/27	WIRE	\$ 0
Sales and Use	\$ (0)	\$ -	\$ -			\$ (0)
Excise	\$ -	\$ -	\$ -			\$ -
Unemployment	\$ -	\$ -	\$ -			\$ -
Real Property	\$ 3,474	\$ -	\$ -			\$ 3,474
Personal Property	\$ 1,582	\$ -	\$ -			\$ 1,582
Other	\$ 99	\$ -	\$ -			\$ 99
Total State and Local	\$ 5,156	\$ 1	\$ (1)			\$ 5,156

Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Accounts Receivable Aging (unaudited)

(In Thousands)

As of November 30, 2019

Accounts Receivable Reconciliation

	Credit Card Receivables	Trade Accounts Receivable	Total Credit Card and Trade Accounts Receivable
Total Accounts Receivable at the beginning of the reporting period	\$ 900	5,054	\$ 5,954
+ Amounts billed during the period	-	-	-
- Amounts collected during the period	-	-	-
- Other Adjustments (Writeoffs/Credit Memos/Adjustments/Chargebacks/Signifyd Funding)	-	-	-
Total Accounts Receivable at the end of the reporting period	\$ 900	\$ 5,054	\$ 5,954

As of November 30, 2019

	Amount
Accounts Receivable Aging	13.92
< 90	\$ -
91+	900
Total Accounts Receivable	900
Amount Considered Uncollectible	5,054
Accounts Receivable, Net	5,954
	(1) / (2)

NOTES

(1) In July 2018, all Credit Card Receivables were written off with the exception of Pre-Petition funds withheld by Vaniv (Visa/Mastercard) in the amount of \$900,000. Debtors understand some or all of that amount was applied against chargebacks by the Credit Card companies; however, will continue to carry balance until fully resolved.

(2) No reserves have been recorded against credit card receivables.

(3) \$8.5M of Accounts Receivable - Other exists at 11/30/2019, all of which is aged > 90 days past due.

**Gregg Appliances, Inc.
DEBTORS AND DEBTORS IN POSSESSION
Questionnaire**

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all post-petition tax returns been filed timely? If no, provide an explanation below.	X	
4. Are workers compensation, general liability, and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X
Account Name	Purpose	Business
		Acct Number
	Bank Name	Date

11/1/2019 November 1, 2019 11/1/2019

11/30/2019 November 30, 2019 11/30/2019

Gregg Appliances, Inc.
17-01303-11

** This tab is not part of the published package...just for reference in answering question

Other Accrueds Breakout**P12 P11**

Accrued Compensation & Benefits

Accrued Sales & Property Taxes

Accrued Advertising

GB Accrual

Self-insured Reserves

Other (def. inc. taxes, prof fees, CAM, utilities, etc.)

	P12	P11	Variance
Total AP			-
Trade Pre			-
Import In-Tran			
Unapplied Credits (UA/LC)			
Open Rec Pre			
Pay By Scan			
Exp Pre			
LC's			
Utilities Pre			
Total Pre	-	-	-
Trade Post			
Exp Post			
Cash In-Transit			
Utilities Post			
Other AP			
Accounting			
Open Rec Post			
Pay by Scan			
Misc/Variance			
Total Post	-	-	-
Total Itemized AP	-	-	-
Variance	-	-	-